



FISCAL MEMORANDUM

SB 674 - HB 1315

February 27, 2023

SUMMARY OF BILL AS AMENDED (003597): Requires the Division of TennCare (Division) to make anti-obesity medication available to a recipient, if anti-obesity medication is determined to be medically necessary, regardless of the recipient's age. Authorizes a collaborative practice agreement between pharmacists and prescribers to include the provision of weight management services, including management of anti-obesity medications and referrals to certain weight management services.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures - \$621,104/FY23-24 and Subsequent Years

Increase Federal Expenditures - \$1,178,400/FY23-24 and Subsequent Years

Assumptions for the bill as amended:

- According to information provided by the Division, approximately 46,015 covered individuals over the age of 20 would be medically eligible to be prescribed anti-obesity medication.
- According to a 2021 paper, *Antiobesity Medication Use Among Overweight and Obese Adults in the United States: 2015-2018*, approximately 0.89 percent of eligible Medicaid beneficiaries reported utilizing an anti-obesity medication in the 2015-2016 and 2017-2018 National Health and Nutrition Examination Survey.
- This analysis assumes that one percent of eligible individuals will participate in anti-obesity treatment, or 460 individuals (46,015 x 1.0%).
- The average cost of preferred anti-obesity medications for the Division is \$3,912. This will result in an increase in expenditures of \$1,799,520 (460 x \$3,912).
- Medicaid expenditures receive matching funds at a rate of 65.485 percent federal funds to 34.515 percent state funds. Of this amount, \$621,104 (\$1,799,520 x 34.515%) will be in state funds and \$1,178,416 (\$1,799,520 x 65.485%) will be in federal funds.
- Authorizing weight management services to be included in a collaborative practice agreement is not estimated to have a significant impact the policies or procedures of the Department of Health and health-related boards.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumption:

- Any impact on commerce or jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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